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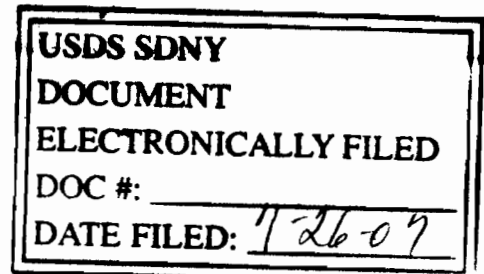
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HARRY A. GAVALAS
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July 25, 2007

BY HAND

Honorable Victor Marrero
United States District Judge
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St. , Room 660
New York, NY 10007



Re: Energy Shipping S. P. A. V. Qanas Shipping Co., et al.
07 Civ 1837 (VM)
Our file: 716.0038

Dear Judge Marrero:

We are writing in compliance with the Court's Order of July 18, 2007 requesting the status of the referenced matter.

This is a maritime action in support of a Rule B attachment under the Supplemental Maritime Rules. The attachment, in turn, is to secure a potentially favorable arbitration award in London, in accordance with 9 U.S.C. § 8. Your Honor signed the original Order of Attachment on March 2, 2007, and an amended Order of Attachment on April 9, 2007.

As of the date of this letter, plaintiff has succeeded in attaching \$ 159,311.52. Based on ongoing discussions between London counsel representing the parties, plaintiff is no longer serving supplemental process on bank garnishees and is not seeking to attach further property of the defendants.

However, London counsel have not yet reached agreement on how the security should be held pending the conclusion of the London arbitration proceedings. In addition, London counsel have been discussing the possible posting of alternative security as a substitute for the funds currently under attachment in New York.

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We hope to report to the Court shortly after the parties, through their London counsel, have reached agreement on these issues. In that event, we anticipate that we will be discontinuing the action in favor of the London arbitration proceedings.


We thank the Court for its consideration in this matter.

Very truly yours,

BROWN GAVALAS & FROMM LLP


Peter Skoufalos

PS/cn

The Court acknowledges plaintiff's response to the Order dated 7-18-07 requesting a report on the status of this case. The Clerk of Court is directed to place this case on the Court's Suspense Docket pending the related arbitration proceedings in another forum. Plaintiff may continue attachments pursuant to the SO ORDERED Order of 4-9-07 as necessary.	
7-26-07 DATE	 VICTOR MARRERO, U.S.D.J.